



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

AGENDA - Lodi Public Improvement Corporation

Date: July 21, 1999

Time: 7:00 p.m.

For information regarding this Agenda please contact:

Alice M. Reimche

City Clerk

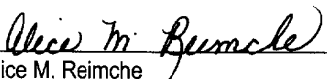
Telephone: (209) 333-6702

MEETING OF THE
Public Improvement Corporation (PIC)
of the City of Lodi

Res. No. 99-1

- A. Call to order by President Land
- B. Roll call to be recorded by Secretary
- C. City of Lodi Electric System Revenue Certificates of Participation 1999 Series A and 1999 Series B
- D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.



Alice M. Reimche
Secretary
Lodi Public Improvement Corporation



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: City of Lodi Electric System Revenue Certificates of Participation 1999 Series A and 1999 Series B

MEETING DATE: July 21, 1999

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the Lodi Public Improvement Corporation approve the attached resolution relating to City of Lodi Electric System Revenue Certificates of Participation (COP's) 1999 Series A and 1999 Series B .

BACKGROUND INFORMATION: As previously discussed with the Council, the above COP's are a major component of the financial plan for the City of Lodi electric system. Funds provided will be used to reimburse the City for a portion of past electric distribution system capital improvements and to provide funds for facility and distribution, transmission and lighting systems upgrades.

The attached resolution concerns approval, execution and delivery of COP documents listed below:

1. Installment Purchase Contract;
2. Trust Agreement; and
3. Certificate Purchase Agreement.

The above documents are substantially in final form. Upon COP pricing, dollar amounts and dates will be updated and presented for execution.

FUNDING: Electric Fund

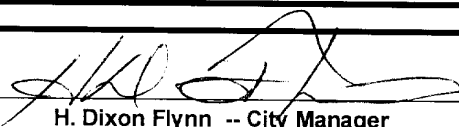

Alan N. Vallow
Electric Utility Director

PREPARED BY: John Stone, Manager, Business Planning and Marketing

ANV/JS/tl

C: City Attorney
Finance Director

APPROVED:


H. Dixon Flynn -- City Manager

RESOLUTION NO. 99-1

A RESOLUTION OF THE LODI PUBLIC IMPROVEMENT CORPORATION RELATING TO ELECTRIC SYSTEM REVENUE CERTIFICATES OF PARTICIPATION; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT, A TRUST AGREEMENT AND A CERTIFICATE PURCHASE CONTRACT IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER MATTERS RELATED THERETO

WHEREAS, the City of Lodi, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), has determined to finance and refinance the costs of certain additions, betterments and improvements to the City's electric system (the "Electric System"), including the acquisition and construction of certain facilities for the transmission and distribution for the Electric System; and

WHEREAS, in order to implement the foregoing, the City and the Lodi Public Improvement Corporation, a non-profit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), propose to execute and enter into an Installment Purchase Contract (the "Installment Purchase Contract"), whereby the Corporation will acquire from the City certain existing improvements (the "Substation Facilities") to the Electric System and whereby the Corporation will sell such Substation Facilities back to the City and will sell certain additional improvements (the "Projects") to the Electric System to be constructed as provided in the Installment Purchase Contract; and

WHEREAS, pursuant to the Installment Purchase Contract, the City will be obligated to make Installment Payments to the Corporation for the purchase of the Substation Facilities and the Projects; and

WHEREAS, the Corporation proposes to enter into a Trust Agreement (the "Trust Agreement") providing for the execution and delivery of Electric System Revenue Certificates of Participation, 1999 Series A Current Interest Certificates and Electric System Revenue Certificates of Participation, 1999 Series B Capital Appreciation Certificates (collectively, the "Certificates"), evidencing and representing the proportionate interests of the owners thereof in the Installment Payments to be made by the City pursuant to the Installment Purchase Contract; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions, for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS THE LODI PUBLIC IMPROVEMENT CORPORATION, AS FOLLOWS:

Section 1. The Board of Directors of the Corporation hereby specifically finds and determines it is desirable and furthers the Corporation's public purpose to assist the City in the financing and refinancing of the improvements to the Electric System as provided in the Installment Purchase Contract through the actions authorized hereby and that the statements, findings and determinations of the Corporation set forth above and in the preambles of the documents approved herein are true and correct.

Section 2. The Installment Purchase Contract, proposed to be executed and entered into by and between the City and the Corporation, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance by the Corporation of its obligations thereunder, are hereby approved, and the President and the Treasurer of the Corporation, each acting singly, are hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the City the Installment Purchase Contract in substantially said form, with such changes therein as such officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Trust Agreement, in the form presented at this meeting and on file with the Secretary of the Corporation, and the performance of by the Corporation of its obligations thereunder, are hereby approved, and the President or the Treasurer of the Corporation, each acting singly, are hereby authorized to appoint a bank or trust company to serve as the Trustee under the Trust Agreement, provided that such Trustee shall meet the qualifications of a successor Trustee set forth in the Trust Agreement; and the President or the Treasurer of the Corporation, each acting singly, are hereby further authorized and directed, for and in the name and on behalf of the Corporation, to execute and deliver to the Trustee the Trust Agreement in substantially said form, with such changes therein as the such officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided, that the aggregate principal amount of the Certificates to be executed and delivered thereunder shall not exceed \$45,000,000, the final principal payment date of the Certificates shall be not later than 35 years from their date of delivery, and the net interest cost of the Certificates shall not exceed eight percent per annum.

Section 4. The Secretary of the Corporation is hereby authorized and directed to attest the signatures of the President and the Treasurer of the Corporation, as may be required or appropriate, in connection with the execution and delivery of the Installment Purchase Contract and the Trust Agreement.

Section 5. The officers of the Corporation are hereby authorized and directed, jointly and severally, to do any and all things (including the negotiating and obtaining of a municipal bond insurance policy or reserve fund surety bond with respect to the Certificates if the City Manager or Finance Director of the City determine that such insurance policy or surety bond will result in savings to the City) and to execute and deliver any and all documents which they may deem necessary or desirable in order to consummate the transactions authorized hereby and to

consummate the sale, execution and delivery of the Certificates and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Installment Purchase Contract the Trust Agreement, the Certificate Purchase Contract and the Certificates; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 6. This Resolution shall take effect immediately upon its passage.

Dated: July 21, 1999

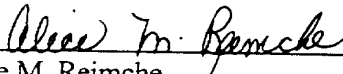
I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 99-1 duly passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation at a meeting thereof duly held on the 21st day of July, 1999, by the following vote of the Directors thereof:

AYES: DIRECTORS – Hitchcock, Mann, Nakanishi and Land (Mayor)

NOES: DIRECTORS – None

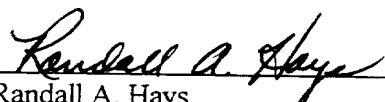
ABSENT: DIRECTORS – None

ABSTAIN: DIRECTORS – Pennino



Alice M. Reimche
Secretary for the Corporation

Approved As to Form:



Randall A. Hays
Attorney for the Corporation

Due to size,
this document
is on file in
City Clerk's contract
files

OH&S Draft
July 12, 1999

INSTALLMENT PURCHASE CONTRACT

by and between

CITY OF LODI

and

LODI PUBLIC IMPROVEMENT CORPORATION

Dated as of August 1, 1999

Due to large
size of this
document,
please see
City Clerk's
Contracts for
review

Exhibit 1

INSTALLMENT PURCHASE CONTRACT
by and between
CITY OF LODI
and
LODI PUBLIC IMPROVEMENT CORPORATION
DESCRIPTION OF EXISTING FACILITIES

The Existing Facilities include various projects to increase system capacity and to improve reliability, varying from overhead circuit reconductoring, new circuits (in conjunction with industrial substation expansions) to switching equipment replacement and circuit reconfiguration for increased functionality, all as listed in the follow pages of this Exhibit 1.